

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** April 26, 2010  
**POSITION:** Oppose

**BILL NUMBER:** SB 1107  
**AUTHOR:** C. Kehoe

### **BILL SUMMARY:** Water Quality: Interceptor and Trap Grease

Existing law tasks the Department of Food and Agriculture (Department) with regulating inedible kitchen grease (IKG). This bill would enact the Interceptor and Trap Grease Transportation Act of 2010 which would exclude interceptor and trap grease from the definition of IKG and require transporters to register with the State Water Resources Control Board (Water Board). The Water Board would implement regulations by January 1, 2012 to manage the transportation of the contents of grease interceptors and traps for the purpose of assuring proper recycling, treatment and disposal.

### **FISCAL SUMMARY**

The Water Board estimates full program implementation costs of \$2.1 million per year. These costs would be borne by the Interceptor and Trap Grease Fund (ITGF) that would be created by the bill. Revenue for program implementation and administration would be generated by a registration fee paid by all interceptor and trap grease transporters. The Water Board estimates that 350 transporters would be subject to the requirements of the bill. As such, the estimated annual fee for each registered transporter would be almost \$6,000. Should it be necessary for the Water Board to use the Board of Equalization to collect the fee, the costs would be higher.

### **COMMENTS**

The Department of Finance (Finance) is opposed to this bill because it is duplicative of a regulatory program that already exists at the Department. This bill would create a bureaucratic, burdensome, and costly system for current IKG haulers by bifurcating the regulation of IKG and duplicating administrative and regulatory efforts across two agencies.

Currently, the Department regulates the transportation of IKG which includes any fat or used cooking greases and oils obtained from any source. The Department's IKG program assures compliance with state regulations through Food and Agricultural Code Sections 19310 through 19317. Finance believes it would be more effective to implement changes through the existing program, rather than create a new one.

After January 1, 2012, the bill would prohibit the transportation of interceptor and trap grease unless an entity has registered with the Water Board. The registration would expire December 31 annually and the transporter would be required to renew. The Water Board would enforce an extensive set of criteria for registration and would also be responsible for monitoring, record keeping, auditing, and enforcement. Transporters would also be tasked with new requirements. It is unclear as to why the Water Board is more appropriate to manage this specific type of waste than the Department.

Analyst/Principal (0622) K. DaRosa	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

<b>BILL ANALYSIS</b>	Form DF-43 (Rev 03/95 Buff)
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**BILL NUMBER**

SB 1107

		SO	(Fiscal Impact by Fiscal Year)							
Code/Department		LA	(Dollars in Thousands)							
Agency or Revenue		CO	PROP					Fund		
Type		RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	Code
1256/Othr Reg Fee		RV	No	U	\$390	U	\$830	U	\$2,130	0499
3940/SWRCB		SO	No	C	\$390	C	\$830	C	\$2,130	0499
<u>Fund Code</u>	<u>Title</u>									
0499	Pending New Special Funds									